Pricing norms for equities by SEBI

3128. SHRI RUMANDLA RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether the Securities and Exchange Board of India has amended the pricing norms for mandatory open offer of 20 per cent equities by corporates after taking over the management control of the Public Sector Undertakings;

(b) if so, whether a decision to this effect was taken at the SEBI board meeting held in the month of December, 2001; and

(c) if so, whether Government have accepted the SEBI's proposal?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) The Securities and Exchange Board of India (SEBI) has intimated that the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 were amended in January 2002 with respect to the pricing norms for open offers made in connection with disinvestment in listed companies.

As per the amendment, the reference date for determination of minimum offer price in case of frequently traded PSU shares would be the date of opening of financial bids. In case of infrequently traded PSU shares, the price paid by the successful bidder (arrived at after the process of competitive bidding) under the share purchase agreement between the strategic partner and the Central Government, shall be the minimum offer price.

(b) and (c) The decision to this effect was taken at the SEBI Board meeting held on 28.12.2001. and was notified on 29.1.2002.